



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN RAYCOM MEDIA'S ACQUISITION OF WWBT-TV

Divestiture Will Preserve Competition for Broadcast Television Spot Advertising in Richmond

WASHINGTON – The Department of Justice announced today that it will require Raycom Media, Inc. (Raycom) to divest the local CBS affiliate in Richmond, Va., WTVR-TV, following Raycom's April 2008 purchase of the Richmond NBC affiliate, WWBT-TV, from Lincoln Financial Media Company (Lincoln). The Department said that the transaction, as originally proposed, would have resulted in Raycom owning two of the four local broadcast stations, which likely would have led to higher prices for those seeking to advertise on local broadcast television.

The Department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to challenge Raycom's acquisition. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"The divestiture is necessary to preserve competition for advertisers who buy broadcast television advertising time in the Richmond market," said Deborah A. Garza, Deputy Assistant Attorney General of the Antitrust Division. "Without this divestiture, advertisers on local Richmond stations would have paid higher prices."

According to the complaint, the two broadcast television stations now owned by Raycom are two of the top four broadcast television stations in Richmond, as measured by advertising revenue. Prior to the transaction, the stations competed head-to-head in Richmond for buyers of spot broadcast television advertising time. Combined, the two stations earn more than 50 percent of the broadcast television spot advertising revenue in Richmond. Therefore, the divestiture is required to assure continued competition for spot advertising in the Richmond broadcast television market. The Department's Antitrust Division must approve the purchaser of WTVR-TV to ensure that the sale will restore the competition in the Richmond market that existed before Raycom purchased the Lincoln station.

Before Raycom and Lincoln closed their transaction on April 1, 2008, they entered into an agreement with the Department. Because Federal Communications Commission (FCC) limitations on television station ownership would require Raycom to sell one of its two

Richmond television stations, Raycom agreed to sell WTVR-TV to a purchaser approved by the Department, within 90 days of closing its transaction with Lincoln. According to the agreement, if Raycom failed to divest WTVR-TV by the agreed upon deadline, the Department would file the lawsuit and settlement, as it has today. Raycom also agreed to preserve and hold separate that station pending its sale, thus maintaining competition in the Richmond local television spot advertising market.

Raycom, headquartered in Montgomery, Ala., owns or operates 46 television stations in 35 markets and 18 states.

As required by the Tunney Act, the proposed settlement and the Department's competitive impact statement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to John R. Read, Chief, Litigation III Section, Antitrust Division, U.S. Department of Justice, 450 5th Street N.W., Suite 4000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed settlement upon finding that it serves the public interest.

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